



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007*

June 10, 2018

BY EMAIL AND ECF

The Honorable Ronnie Abrams
United States District Judge,
Southern District of New York
Thurgood Marshall United States Courthouse
40 Foley Square
New York, NY 10007

Re: United States v. John Galanis, et al., S3 16 Cr. 371 (RA)

Dear Judge Abrams:

The Government writes to clarify several Code Rebel-related issues before the anticipated testimony of Francisco Martin. In light of the Court's ruling last week on defendant Archer and Cooney's receipt of Code Rebel shares, the Government does not believe it would be appropriate for the defendants to cross-examine Martin on the following issues:

- Martin's receipt of 500,000 Code Rebel shares;
- The fact that the receipt of those shares was papered over after the fact with false documents; and
- Defendant Archer's purchase of Code Rebel shares.

With respect to the first two issues, as the Court noted in its ruling last week, Martin believes "that the 500,000 shares he received via convertible note were not compensation of any sort but being held for Jason Galanis' benefit presumably for the pump and dump." (Tr. 1493). As such, in light of the Court's ruling, it would be impermissible for the defendants to cross-examine Martin about his receipt of 500,000 shares, without opening the door to the pump and dump. Similarly, now that the Court has precluded evidence of the Code Rebel pump and dump and Archer's receipt of Code Rebel shares from Galanis, the fact that Archer also purchased Code Rebel shares should be precluded on relevance grounds. To the extent the defense seeks to suggest that Code Rebel was a legitimate transaction, that has no relevance because the Court has precluded evidence of the Code Rebel pump and dump. Moreover, such an argument would also open the door to evidence of the

Code Rebel pump and dump, because it would be entirely appropriate for the Government to introduce evidence that Archer bought the Code Rebel shares in light of the anticipated pump of the stock following the IPO.

Respectfully submitted,

ROBERT KHUZAMI

Attorney for the United States, Acting Under
Authority Conferred by 28 U.S.C. § 515

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